

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 682 – SB 1119

March 6, 2011

SUMMARY OF BILL: Authorizes an insurer to offer a voluntary wellness or health improvement plan that uses incentives or rewards to encourage or reward a plan member's participation in the program.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation could result in a decrease in the cost of health insurance premiums if insurance plans offer reduced premium rates as an incentive for individuals who join a wellness or health improvement program. The exact impact is not quantifiable due to a number of unknown factors, but is estimated to be not significant.

Assumptions:

- According to the Department of Commerce and Insurance, the Department does not anticipate a significant increase in complaints. Any cost can be accommodated within existing resources without an increased appropriation or reduced reversion.
- Private health insurance impact: According to the Department of Commerce and Insurance, some health insurers currently offer incentives for participants of wellness or health improvement programs. If a health plan offers a reduced premium rate as an incentive, depending on the amount of reduction, an individual's premium rate could be reduced significantly over the term of the plan, but the overall impact to health insurance premiums is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/sbh